

Message Text

CONFIDENTIAL

PAGE 01 SANTIA 01109 162351 Z

16

ACTION AID-59

INFO OCT-01 ADP-00 IGA-02 INR-09 EB-05 L-03 /079 W

----- 077819

R 162255 Z MAR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 3756

INFO AMEMBASSY BUENOS AIRES

C O N F I D E N T I A L SANTIAGO 1109

AIDAC

BUENOS AIRES FOR RHUDO

SUBJ: HG LOANS 513- HG-003, 004, 005

REF: STATE 48070

1. PRIOR TO APPROACHING CORFO AS SUGGESTED REFTEL WE BELIEVE THAT AID/ W SHOULD BE AWARE OF POTENTIAL PROBLEM OF SOME IMPORTANCE. GOC HAS TAKEN FIRM POSITION THUS FAR IN OVERALL DEBT RESCHEDULING NEGOTIATION THAT NEGOTIATION COVERS ALL GOVERNMENT- TO- GOVERNMENT AND GOVERNMENT- GUARANTEED DEBTS. THUS, FOR EXAMPLE, GOC MAINTAINS THAT OPIC- GUARANTEED LOANS FOR PRIVATE US SOURCES ARE REPEAT ARE RENEGOTIABLE.

2. TO DATE THE ONLY SIGNIFICANT DEPARTURES FROM THIS POSITION HAVE BEEN

MADE IN CASES OF HG LOANS 003, 004 AND 005, WHICH HAVE BEEN PAID IN ACCORDANCE WITH THEIR TERMS THROUGH DECEMBER 1972. AS POINTED OUT IN REFTEL AND CONFIRMED TO US BY CAJA, DELINQUENCIES SINCE

DECEMBER ARE DUE TO CENTRAL BANK INSISTENCE THAT CAJA BUY FUTURE DOLLARS RATHER THAN TO ANY LINK BETWEEN THESE PAYMENTS AND DEBT

RESCHEDULING. SINCE CHILEANS APPARENTLY HAVE NOT MADE THIS LINK THEMSELVES, WE DO NOT BELIEVE IT ADVISABLE TO TAKE ANY ACTION THAT WOULD FACILITATE THEIR DOING SO. THIS COULD RESULT FROM SUGGESTED APPROACH TO CORFO, IN WHICH CASE RESTORATION OF FUNDS TO HG CENTRAL

RESERVE AND FUTURE PAYMENTS WOULD BE GOVERNED BY TERMS OF
WHATEVER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIA 01109 162351 Z

GENERAL RESCHEDULING MIGHT BE NEGOTIATED RATHER THAN BY CAJA'S
INDEPENDENT PLAN TO RESTORE FUNDS BY MID- YEAR AND REMAIN CURRENT
FROM
THEN ON.

3. IN VIEW OF ABOVE, EMBASSY/ USAID RECOMMEND THAT APPROACH TO
CORFO NOT RPT NOT BE MADE. PLEASE ADVISE.
DAVIS

CONFIDENTIAL

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SANTIA01109
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730331/aaaahxkc.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 STATE 48070
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 14 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Jan-2002 by willialc>; APPROVED <04-Feb-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971211
Subject: HG LOANS 513- HG-003, 004, 005
TAGS: EGEN, n/a
To: AID
BUENOS AIRES
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005